

Testimony of Brian Boehning

Dairy Farmer, Muleshoe, Texas

Farm Bill Opinion

U.S. House Committee on Agriculture

May 9, 2006

My name is Brian Boehning and my wife, Tiffany, and I own and operate a family dairy operation near Muleshoe, Texas. I believe my opinions are generally reflective of the views of most dairy farmers in the Southwestern United States.

I was born and raised in west Texas. I have been at my current location near Muleshoe, Texas, since 1993. I operate a 3,500 cow dairy and farm 3,000 acres of irrigated land to grow feed for the cows and their replacement heifers.

My compliments to the committee for calling this hearing to review federal farm policy.

The livestock EQUIP program has been a success. The program continues to help dairy farmers protect the environment and deal with increasing government regulations. I would like to see this program continued in the 2007 Farm bill.

The dairy price support program I also feel has been a very important program. The price support target price of \$9.90 cwt is a low enough target to not stimulate production, but does provide a safety net for dairy farmers.

If the World Trade Organization negotiates to reduce subsidies fairly and evenly across all countries the dairy price support program would not be as important, but if subsidies are reduced unevenly the dairy price support program will be very important to U.S. dairy farmers in the 2007 farm bill.

The Federal Milk Marketing Order system needs to be examined to see if it is serving the purpose that it was intended to serve. Currently almost half of the milk in the U.S. is now marketed outside of the system. The largest and 5th largest milk producing states (California and Idaho) are not in the Federal Milk Marketing Order system. Also the upper Midwest only partially participates in the system. There should be one set of marketing rules for everyone to follow.

While government can play a critical role in the stabilization of milk prices and the dairy economy, that role should be limited.

The MILC program is a poorly designed and costly program put in place largely to replace the Northeast Interstate Dairy Compact, which was also an unfair program. In spite of warning from some dairy farm representatives that the MILC program would greatly exceed cost estimates and depress prices on all producer milk, we were told the program's adoption was a necessary evil to reach a consensus on the 2002 farm bill.

One problem with the MILC program is the payment cap. Payments are only eligible on 2.4 million pounds of production per year. The average dairy in the United States produces about 2.4 million pounds annually, therefore, this program puts the entire burden of reduced prices caused by overproduction on the shoulders of producers with above average production. Their response, in order to maintain cash flow and profitability will be to increase production and efficiency.

The MILC program sends signals to overproduce, while the dairy price support program requires the government to buy the product that is overproduced.

The MILC program and dairy price support program cannot coexist.

Nearly three billion dollars has been spent on the MILC payments, prior to the recent extension. This far exceeded the program's budget. The recent extension of the MILC program for two years, according to OMB, CBO and FAPRI estimates, will increase CCC spending by 1.2 to 1.34 billion dollars for this program.

The MILC program is cost prohibitive to the government, and stimulates overproduction which causes lower prices to producers, therefore, I feel like the MILC program was not a successful program and should be eliminated from the 2007 farm bill.

The MILC program has not slowed the exit of smaller dairy farms. Today approximately 3,000 farmers supply half of the nations milk, about 60,000 farmers supply the other half. By the time the 2007 farm bill will take effect the trend will only accelerate. As a result the policies must be designed to meet the needs of these farmers who will be providing the milk going forward, not based on historical conditions that will limit our ability to compete in a world economy.

If World Trade Organization negotiations are successful the United States has the potential to become a leader in world dairy exports.

The United States has a great dairy industry. This industry does not need programs that promote inefficiency, turn small and large farms against each other, or different regions of the country against each other.

In conclusion, I would like to reiterate that 1) The livestock EQUIP program should be continued in the next farm bill; 2) The price support program is a viable program that serves as a safety net for U.S. Dairy Farmers and should be in the next farm bill; 3) The FMMO should be examined to see if they are doing what they were intended to do; 4) The MILC program is costly to the government, encourages overproduction and inefficiency, disturbs unity between dairy farmers in a time when we should be working together, and should not be included in the 2007 Farm Bill. 5) World Trade Organization negotiations (if handled correctly) could help the United States become the leader in the world for dairy production.

Thank you for giving me this time to share my views.

Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Brian Boehning
2. Business Address: 690 CR 45
Earth, TX 79031

3. Business Phone Number: (806) 965-2447

4. Organization you represent: Self

5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:

Dairy farmer in southwestern United States that is aware of current issues related to the dairy industry.

6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:

I have owned my own dairy farm for 15 years. Prior to that I worked on dairy farms.

7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:

I am not representing an organization. Nonetheless, I believe my opinions are generally reflective of the views of most dairy farmers in the southwestern United States

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Brian Boehning

Address: 690 CR 45, Earth, TX

Telephone: 806-965-2447

Organization you represent (if any): Self

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: NA Amount: NA

Source: NA Amount: NA

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: NA Amount: NA

Source: NA Amount: NA

Please check here if this form is NOT applicable to you:



Signature: Brian Boehning

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.